

Message Text

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PAGE 01 MEXICO 14443 292253Z
ACTION ARA-14

INFO OCT-01 ISO-00 EUR-12 FS-01 EB-08 ABF-01 /037 W
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R 292300Z AUG 77
FM AMEMBASSY MEXICO
TO SECSTATE WASHDC 4592
INFO TREASURY WASHDC

C O N F I D E N T I A L MEXICO 14443

EO 11652: GDS
TAGS: EFIN, MX
SUBJECT: GOM EURODOLLAR LOAN

1. SUMMARY. GOM IS ORGANIZING A SEVEN-YEAR
EURODOLLAR CREDIT OF UP TO \$1.2 BILLION. THIS IS TO BE
LAST SYNDICATED BORROWING THIS YEAR. END SUMMARY.

2. ACCORDING TO A LOCAL BANK REPRESENTATIVE, THE GOM
TREASURY HAS DECIDED TO ATTEMPT TO FLOAT A SEVEN-YEAR
EURODOLLAR CREDIT FOR UP TO \$1.2 BILLION. THIS WILL BE
LAST MAJOR EXTERNAL BORROWING BY PUBLIC SECTOR IN 1977.
PART OF PROCEEDS WILL GO TO PEMEX WHICH WILL NOT BE
GOING OUT WITH ITS OWN SYNDICATED LOAN THIS YEAR.

3. SO-CALLED ADVISORY GROUP TO TREASURY IS COMPOSED OF
MORGAN GUARANTY, BANK OF AMERICA, LLOYD'S BANK AND
DEUTSCHE BANK. MEXICANS WERE VERY ANXIOUS TO GET MORGAN
INVOLVED AS THEY HAVE BEEN COOL TOWARD MEXICO FOR SOME
TIME. FEELING IS THAT THE MORGAN NAME WILL HELP MARKET
THIS CREDIT. GOM IS REPORTEDLY SHARING WITH THE
"ADVISORY GROUP" SOME OF THE DATA GIVEN TO IMF AND THE
EFF AGREEMENT.

4. DECISION TO GO FOR ONE MAJOR CREDIT SEEMS TO REFLECT
GOM FEAR THAT IF UNITED MEXICAN STATES WENT OUT NOW FOR
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A SMALLER AMOUNT, MANY BANKS WOULD TEND TO HOLD OFF
PARTICIPATING IN HOPES OF GOING INTO A PEMEX CREDIT
LATER IN THE YEAR. THEY WILL REPORTEDLY STATE THAT SOME
AMOUNT OF THE UMS CREDIT WILL BE ALLOCATED TO PEMEX. GOM
HAS ALSO AGREED WITH ADVISORY GROUP THAT NO OTHER PUBLIC
SECTOR SYNDICATED CREDIT WILL BE FLOATED THIS YEAR.
THIS DECISION WILL AFFECT THE NAFINSA-GUARANTEED CREDIT

FOR MEXICANA DE COBRE.

5. INITIAL DISCUSSIONS WITH BANKS OUTSIDE THE "ADVISORY GROUP" ARE TO BEGIN SHORTLY. WHILE IT HAS LONG BEEN KNOWN THAT THE UMS WOULD BE THE NEXT BORROWER, THE SIZE OF THIS LOAN CAME AS A SURPRISE. THE GOM WILL PROBABLY HAVE TO UNDERTAKE A MAJOR SALES CAMPAIGN TO REACH THE \$1.2 BILLION TARGET. THE ABOVE INFORMATION WAS OBTAINED ON A CONFIDENTIAL BASIS AND SHOULD NOT BE DIVULGED OUTSIDE THE USG. THOMPSON

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Message Attributes

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Copy: SINGLE
Sent Date: 29-Aug-1977 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
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TAGS: EFIN, MX
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